

RicohPOR (Perkins Coie)

From: Will Patterson <Will@farlawfirm.com>
Sent: Wednesday, March 19, 2014 4:36 PM
To: Feldman, Stephen (Perkins Coie)
Subject: Queen Ave - Third Work Authorization Agreement
Attachments: Third Work Authorization Agreement.docx

Stephen,

I was hoping to speak to you in person about this, but email will have to suffice.

I relayed our conversation regarding the information that Dave Ellis received from the EPA to Steve McInnis. I was informed that although the on-site work may be completed by Friday, there are potentially tens or hundreds of thousands of dollars of disposal costs remaining. My clients have attempted to contact your clients since last week regarding an agreement for the third EPA plan, but were met with silence. As a result, my clients do not trust that your clients have any intention to pay and that your clients intend to contest all invoices in court. Given this belief, my clients refuse to continue work on the third EPA plan and to pay the out of pocket costs for this work and disposal without guarantee of prompt payment.

I have been instructed to provide your clients with a final proposal in order to prevent River City Environmental and its subcontractors from walking off the site once the final work under the second EPA plan is completed. My understanding is that work on the second EPA plan only consists of the removal of drop boxes that are currently on site. I have been instructed to prepare the attached work services authorization form covering the work for the third EPA plan. As you will see, this agreement also includes the following requirements:

1. Your clients are to immediately issue instructions to release the \$50,000 in escrow to River City.
2. Your clients are to agree that the invoices received to date are reasonable and customary, in light of the fact that the invoices contain the same detail as contained in all previous invoices that have been paid by your clients.
3. Your clients warrant and represent that at least \$250,000 remains in the \$1,000,000 that the purchaser required to be held back from escrow to pay for these additional cleanup costs. Your clients agree to sign an escrow agreement instructing Chicago Title to retain \$250,000 in this holdback and to disburse to RCE the reasonable value of its services upon completion of the Third Work Plan.

My clients want this agreement signed by at least one of your clients by 5pm tonight if RCE is to show up tomorrow to continue work on the third EPA plan. It needs to be signed by all of your clients by tomorrow if RCE is to finish work on the third EPA plan. Additionally, the \$50,000 release from escrow must be received by tomorrow at 5pm in order for RCE to continue work.

Best regards,

Will Patterson

[T] 503-546-4632

[F] 503-517-8204



Folawn Alterman & Richardson LLP

Fox Tower
805 SW Broadway, Suite 2750
Portland, Oregon 97205

IRS CIRCULAR 230 DISCLOSURE: To ensure compliance with Treasury Department and IRS regulations, we inform you that, unless expressly indicated otherwise, any federal tax advice contained in this communication (including any attachments) is not intended or written by Folawn Alterman & Richardson LLP to be used, and cannot be used by the taxpayer, for the purpose of (i) avoiding penalties that may be imposed on the taxpayer under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein (or any attachments).

* * * * *

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

RIVER CITY ENVIRONMENTAL, INC. (RCE)
SERVICES WORK AUTHORIZATION FORM

Project # _____

Date of Service: _____

Customer P.O. # _____

Customers:	Farouk H. Al-Hadi	Dave Ellis & Pamela Ellis
	155 B Ave Suite 222	4948 Hampton Ct
	Lake Oswego, OR 97034	Lake Oswego, OR 97035

Customer authorizes RCE to perform the following services: Cleaning and disposal of tanks/piping containing chemical products or wastes on-site as described by the Work Plan approved by the EPA on March 14, 2014 (Third Work Plan). This agreement does not cover any further services that the EPA may require on site beyond the scope of the Third Work Plan.

Location of services: 140 SW Queen Avenue, Albany, OR 97322 (Property)

Schedule: Beginning 3/20/14

Agreements:

Customers agree to immediately issue instructions to Kelly Norton of Chicago Title Company to release to RCE the \$50,000 currently held in escrow for the sale of the Property. If the \$50,000 is not received by RCE by 5pm on March 20, 2014, Customers agree that RCE's obligations to perform additional work under this agreement shall terminate.

Customer agrees that the invoices Customer or Customer's attorney has received from RCE prior to the date of this agreement are reasonable and customary.

Customers warrant and represent that ATI Pacific Cast Technologies required an escrow holdback of approximately \$1,000,000 from the purchase price of the Property in order to ensure payment of additional cleanup costs on the Property (Holdback). Customers warrant and represent that at least \$250,000 remains in the Holdback. Customers agree to sign an escrow agreement instructing Chicago Title Company to retain \$250,000 of the Holdback and to disburse the reasonable value of RCE's services upon completion of the Third Work Plan.

Customers agree that if all the Customers have not signed this agreement by 5pm on March 20, 2014, that RCE's obligations to perform additional work under this agreement shall terminate.

Compensation: RCE shall be compensated for time, material, and disposal costs.

Payment Terms: Invoicing will be completed weekly on Friday and delivered to customer the following Monday.

Indemnification: Customers agree to defend, indemnify and hold harmless RCE from any and all claims, injuries, damages, losses or suits, including attorney fees of the attorney of indemnitee's choosing, arising out of or in connection with any and all work performed by RCE on the Property, whether performed under this agreement or a prior agreement.

This agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

THIS WORK AUTHORIZATION AND RCE'S CURRENT PRICE LIST CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES. EXECUTION OF THIS WORK AUTHORIZATION BY CUSTOMER SIGNIFIES CUSTOMER'S RECEIPT OF AND AGREEMENT TO RCE'S CURRENT PRICE LIST, WHETHER OR NOT SEPARATELY INITIALED/SIGNED BY CUSTOMER. TERMS AND CONDITIONS INCLUDED ON CUSTOMER'S PURCHASE ORDER AND CUSTOMER FORM CONTRACTS ARE HEREBY REJECTED BY AND NOT BINDING ON RCE. BY EXECUTING THIS WORK AUTHORIZATION, CUSTOMER'S REPRESENTATIVE WARRANTS THAT HE/SHE HAS THE AUTHORITY TO BIND CUSTOMER TO THIS AGREEMENT.

River City Environmental, Inc.

Farouk H. Al-Hadi

Signature _____

Signature _____

Printed Name _____

Printed Name _____

Title _____

Title _____

Date _____

Date _____

Dave Ellis

Pamela Ellis

Signature _____

Signature _____

Printed Name _____

Printed Name _____

Title _____

Title _____

Date _____

Date _____